

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7268

BILL NUMBER: HB 1408

NOTE PREPARED: Jan 7, 2011

BILL AMENDED:

SUBJECT: Victims of Securities Law Violations.

FIRST AUTHOR: Rep. Burton

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the statute governing administrative orders and procedures does not apply to the securities division of the office of the Secretary of State (SOS). For purposes of the statute governing restitution for victims of violations of certain securities laws, it provides that a victim's net loss equals: (1) the victim's out-of-pocket loss; minus (2) the amount of restitution received by the victim from the party ordered to pay the restitution. The bill provides that an award by the division to a victim of a securities violation may not exceed the lesser of: (1) \$15,000; or (2) 25% of the amount of the victim's net loss (instead of 25% of the amount of the victim's out-of-pocket loss, as provided by current law).

It allows the Division to bring an action in the circuit or superior court of Marion County to recover funds that are required under the statute to be: (1) forfeited by a victim whose restitution order is overturned on appeal; or (2) refunded by a victim who recovers funds from the party ordered to pay the restitution. The bill also provides that any award or other determination made by the Division under the statute is final and is not subject to judicial review or appeal.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Secretary of State (SOS):* Under current statute, victims of violations of certain securities may be awarded financial restitution upon filing an application with the Securities Division of the SOS. This bill allows the Securities Division of the SOS to bring an action in the circuit or superior court of Marion County to recover funds that are required under statute to be forfeited by a victim whose restitution order is overturned on appeal or refunded by a victim who recovers funds from the party ordered to pay the restitution. Any impact on expenditures would depend on the number of actions brought by the SOS in the circuit or superior court of Marion County.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SOS.

Local Agencies Affected:

Information Sources:

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